

created in order to mitigate the risks of overseas investments and to avoid depending on shaky legal institutions in those countries. Arbitration has been one of the principal building blocks to the extraordinary growth in international trade. It has brought investments to countries which would have otherwise been considered too risky because it gives investors and sovereign nations an agreed-upon mechanism to resolve disputes. Key to its success is the agreement by all parties that arbitration can only work if it is binding.

It recently came to my and Senator MCCONNELL's attention that at least two American companies, Sithe Energies, Inc., and Nortel Networks, have participated in binding arbitration to resolve disputes with the Colombian Government. According to information we have received, Sithe and Nortel, and, we are told, companies from Mexico and Germany, have won clear, unambiguous rulings through binding arbitration, only to have the Colombian Government renege on its commitment to honor the arbitration decision.

We have not had an opportunity to discuss these matters with the Colombian Government, but if our information is correct, that American companies have agreed to binding arbitration and prevailed, only to have the Colombian Government refuse to pay, that is unacceptable. We want to help Colombia's economy develop in an environment where the rule of law is respected. This is crucial to Colombia's future. If Colombia flaunts the rules of the private market, it will have increasing difficulty attracting private investment because it cannot be trusted.

Representatives of these companies have urged us to withhold a portion of U.S. assistance to Colombia until the Colombian Government fulfills its legal obligations to these companies. We considered offering such an amendment, because of the importance we give to the fair treatment of American companies, respect for the rule of law, and the international arbitration process. I ask unanimous consent that a copy of our proposed amendment be printed in the RECORD at the conclusion of my remarks.

We decided not to offer the amendment, because of the precedent it could set. But we want to emphasize that respecting binding, internationally sanctioned arbitration is essential to the investment that will ultimately be the engine for Colombia's economic development. No amount of foreign assistance can do that. The pattern of Colombia's apparent abuse of the international arbitration process is very disturbing, and by conveying our concern about it we mean to strongly encourage the Colombian Government to act expeditiously to resolve these matters.

Finally, I would note that the Andean Trade Preferences Act addresses this issue directly. Section 203 of that

act makes clear that the President shall not designate any country a beneficiary under the ATPA, if the country fails to act in good faith in recognizing as binding or in enforcing arbitral awards in favor of U.S. citizens or a company which is 50 percent or more beneficially owned by U.S. citizens. The ATPA is up for extension or expansion, and Senator MCCONNELL and I will be following this issue closely, as well as discussing it with Colombian Ambassador Moreno and U.S. Ambassador Patterson, both of whom I have the utmost respect for.

Mr. MCCONNELL. Let me just add a word or two to Senator LEAHY's comments. Few would disagree that Colombia's long term political and economic development resides in its ability to forge a lasting peace, establish the rule of law, and attract foreign investment. No service is done to the nation or the people of Colombia when the Colombian government refuses to recognize the legitimacy of an arbitration award to international businesses. The leadership in Bogota should understand that such action further erodes confidence in the overall investment climate in Colombia within the international business community—and in foreign capitals. It is my hope that the Colombian government takes note of the amendment Senator LEAHY and I contemplated offering and initiates corrective action in the very near future.

FREEDOM SUPPORT ACT

ARMENIA

Mr. MCCONNELL. Mr. President, I want to take a brief moment to share with my colleagues the tremendous effort to craft an agreement which preserves section 907 of the FREEDOM Support Act while permitting Azerbaijan to assist with America's war on terrorism. In the closing minutes of the Senate's debate on the FY 2002 Foreign Operations bill yesterday, Senators SARBANES, BROWNBACK, and I reached agreement on my amendment which strikes a balance between our counter terrorism needs and vital ongoing efforts to negotiate a peace between Armenia and Azerbaijan with respect to the Nagorno-Karabakh conflict.

I want to thank my colleagues for their constructive input into my amendment. In addition, the Administration deserves our gratitude for their willingness to work with Congress on finding a compromise which addressed the concerns of all sides of this complicated issue. It is no secret in the halls of Congress that there was serious consideration of a certification under section 907 as a means of securing the legal authority to provide counter terrorism assistance to Azerbaijan. Such a certification would have permanently eliminated section 907 as a means to support the sensitive ongoing negotiations between Armenia and Azerbaijan. Despite some carveouts over the years, this was the most seri-

ous challenge to section 907 since its inception. Senator SARBANES and I, in particular, strongly believe that section 907 is vital to ongoing peace efforts and that such a certification was an unacceptable option.

I also want to recognize the invaluable input and encouragement of patriotic Armenian-Americans who understand the importance of supporting America's efforts to fight terrorism on every front. But, cooperating with Azerbaijan should not mean that the negotiations on Nagorno-Karabakh should be disrupted. Here again, the amendment provides protection. Counter terrorism assistance to Azerbaijan will not be forthcoming unless the President determines and certifies to Congress that the assistance "will not undermine or hamper ongoing efforts to negotiate a peaceful settlement between Armenia and Azerbaijan or be used for offensive purposes against Armenia." The Administration has assured us that they support peaceful negotiations and that none of our counter-terrorism efforts will disrupt these talks.

In addition to the amendment preserving section 907, I sponsored an amendment to provide assistance to Armenia under the Foreign Military Financing and the International Military Education and Training programs. This historic amendment will for the first time provide Armenia with valuable military assistance. The IMET funding will allow the U.S. to work with and train with the Armenian military thereby improving America's ability to work with Armenia on a host of security issues. This will ensure that Armenia remains a strong ally and coalition partner in the war against terrorism.

We will have an opportunity to revisit issues relating to Armenian and Azeri relations on the FY 2003 Foreign Operations bill, and I want to make clear to my colleagues and the Administration that I will be closely following developments in Azerbaijan and Turkey to lift the blockades against Armenia. I encourage these countries to fully understand the importance and necessity of lifting their blockades.

ARCTIC NATIONAL WILDLIFE REFUGE

Mr. BAUCUS. Mr. President, the horrific terrorist attacks of September 11, and America's response to those attacks have shifted our sense of priorities about what's important for our Nation. But, as we move forward with the challenging task of eliminating terrorism and securing the safety of our citizens, we must not lose sight of other values that make our Nation great.

Some are using the shock and fear caused by the September 11 attacks to call for renewed focus on our energy security, and more particularly to renew their calls to open the Arctic National Wildlife Refuge to exploration and